

SETTLEMENT OF ACCOUNTS OF DECEASED  
CIVILIAN OFFICERS AND EMPLOYEES

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General Accounting Office  
Office of the Comptroller General  
of the United States  
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General Regulations No. 104

Supplement No. 1

OMB Declassification/Release Instructions on File

General Regulations No. 104, dated June 7, 1945, is hereby supplemented to facilitate the settlement of amounts due certain deceased civilian employees of the Government upon vouchers approved by the agency in which last employed, as contemplated by Public Law 636, 81st Congress, 2d Session, approved August 3, 1950.

The cited Act provides as follows:

"That in order to facilitate the settlement of the accounts of deceased civilian officers and employees of the Federal Government and of the government of the District of Columbia (including wholly owned and mixed-ownership Government corporations) all unpaid compensation due such an officer or employee at the time of his death shall be paid to the person or persons surviving at the date of death, in the following order of precedence, and such payment shall be a bar to recovery by any other person of amounts so paid:

"First, to the beneficiary or beneficiaries designated by the officer or employee in writing to receive such compensation filed with the Government agency in which the officer or employee was employed at the time of his death, and received by such agency prior to the officer's or employee's death;

"Second, if there be no such beneficiary, to the widow or widower of such officer, or employee;

"Third, if there be no beneficiary or surviving spouse, to the child or children of such officer or employee, and descendants of deceased children, by representation;

"Fourth, if none of the above, to the parents of such officer or employee, or the survivor of them;

"Fifth, if there be none of the above, to the duly appointed legal representative of the estate of the deceased officer or

-2-

employee, or if there be none, to the person or persons determined to be entitled thereto under the laws of the domicile of the deceased officer or employee.

"Sec. 2. For the purposes of this Act the term 'unpaid compensation' means the pay, salary, or allowances, or other compensation due on account of the services of the decedent for the Federal Government or the government of the District of Columbia. It shall include, but not be limited to, (1) all per diem in lieu of subsistence, mileage, and amounts due in reimbursement of travel expenses, including incidental and miscellaneous expenses in connection therewith for which reimbursement is due; (2) all allowances upon change of official station; (3) all quarters and cost-of-living allowances and overtime or premium pay; (4) amounts due for payment of cash awards for employees' suggestions; (5) amounts due as refund of salary deductions for United States Savings bonds; (6) payment for all accumulated and current accrued annual or vacation leave equal to the compensation the decedent would have received had he remained in service until the expiration of the period of such annual or vacation leave; (7) the amounts of all checks drawn in payment of such compensation which were not delivered by the Government to the officer or employee during his lifetime or of any unnegotiated checks returned to the Government because of the death of the officer or employee.

"Sec. 3. (a) Subject to such rules and regulations as may be prescribed by the Comptroller General of the United States, the employing agency shall cause the unpaid compensation to be paid to the beneficiaries, if any, designated by the officer or employee under section 1 of this Act, or, if none, to the widow or widower of such officer or employee.

"(b) Accounts not payable under section 3 (a) (with the exception of accounts of employees of the District of Columbia which shall be paid by the District of Columbia, and accounts of employees of wholly owned and mixed-ownership Government corporations which may be paid by such corporations) shall be payable on settlement of the General Accounting Office, except as the Comptroller General may by regulation otherwise authorize or direct.

"Sec. 4. This Act shall not apply to any benefits, refunds, or interest payable under the Retirement Act applicable to the decedent's service or to amounts the disposition of which is otherwise expressly prescribed by Federal law.

"Sec. 5. Officers and employees affected shall be notified by the employing agency of the provisions of this Act relative to the disposition of such compensation in the event no beneficiary

-3-

is designated by them, and of their right to designate a beneficiary or beneficiaries in accordance with its terms if they desire a different disposition to be made thereof. Designations so made may be changed or revoked at any time under such rules and regulations as may be prescribed by the Comptroller General.

"Sec. 6. This Act shall be effective one hundred and twenty days from the date of its enactment as of which time section 2 of the Act of December 21, 1944 (58 Stat. 845), is repealed.

"Sec. 7. This Act shall not apply to the accounts of officers and employees of the Panama Canal and the Panama Railroad on the Isthmus of Panama, or to the accounts of officers and employees of the Federal land banks, Federal intermediate credit banks, production credit corporations, or the regional banks for cooperatives."

#### NOTIFYING EMPLOYEES

1. In order to carry out the provisions of the Act, each agency of the Federal Government and of the District of Columbia affected will bring to the attention of its civilian employees the provisions thereof relative to the disposition of "unpaid compensation" in the event no beneficiary is designated by them and of their right to designate a beneficiary, or beneficiaries, if they desire a different disposition to be made thereof. Also, they will be notified of their right to change or revoke any designation which they may make. In order to afford civilian officers and employees an opportunity to designate a beneficiary if they so desire, each agency subject to the provisions of the Act, upon request therefor, will furnish the employee the form entitled "Designation of Beneficiary, Unpaid Compensation of Deceased Civilian Employee", Standard Form No. 1152. Agency as used herein generally includes any legislative, judicial, or executive department, independent establishment, or corporation, or the District of Columbia, exclusive of those excepted by the Act.

#### DESIGNATING BENEFICIARY

2. An employee may designate any person or persons as beneficiary, by executing and filing Standard Form No. 1152, Designation of Beneficiary, Unpaid Compensation of Deceased Civilian Employee. Also, a designation previously made may be changed or revoked as of a later date by executing and filing another such form, after which the earlier designation may be returned to the employee. The designation will be filed in the particular office which authorizes payment of the employee's compensation, or such other place as the head of the agency may direct, and unless changed or revoked, will be effective so long as his employment by the same agency continues. Should he resign and be reemployed, or be transferred to another agency, and desire the "unpaid compensation" to be paid to a

-4-

designated beneficiary, another designation of beneficiary form must be executed. The Standard Form No. 1152 must be executed in duplicate and filed in the employing agency, where the proper officer will sign and affix the date of receipt in the space provided on each part, file the original, and return the duplicate to the employee. In the absence of the prescribed form, any designation, change or cancellation of beneficiary witnessed and filed in accordance with the general requirements of this regulation shall be acceptable.

#### SECURING CLAIM ON EMPLOYEE'S DEATH

3. As soon as practicable after the death of a civilian employee included within the provisions of the Act, the agency in which he or she was last employed, upon determining that "unpaid compensation" is due the decedent, will request each designated beneficiary, or if no beneficiary was designated, the surviving spouse, to execute a form entitled "Claim of Designated Beneficiary and/or Surviving Spouse for Unpaid Compensation of Deceased Civilian Employee", Standard Form No. 1153. Where there is no designated beneficiary or a surviving spouse, the person or persons claiming the right to share in the disposition of a deceased civilian employee's "unpaid compensation" will be requested to execute Standard Form No. 1155, Claim for Unpaid Compensation of Deceased Civilian Employee (No Designated Beneficiary or Surviving Spouse). The necessary forms will be furnished claimants by the employing agency which may grant such assistance as it deems necessary to insure their proper execution. All unnegotiated Federal checks drawn to the order of a decedent in payment of compensation as defined in the Act, and in the possession of the claimant, should accompany the executed form.

#### VOUCHERING THE UNPAID COMPENSATION

4. Upon receipt of a duly executed Standard Form No. 1153 or Standard Form No. 1155, the agency promptly will prepare a disbursement voucher for the amount of the "unpaid compensation" due the deceased employee, using for this purpose "Public Voucher for Unpaid Compensation Due a Deceased Civilian Employee", Standard Forms Nos. 1154 and 1154a (memorandum copy). All official checks drawn in payment of compensation as defined in the Act and undelivered at death and any unnegotiated checks drawn for such compensation and returned because of the death of the payee, will be scheduled for cancellation and the exact amount of each check, if otherwise due, will be included in the amount of the payment voucher, Standard Form No. 1154. Except where site audit of salary payments is made by the General Accounting Office and the vouchers are authorized to be held at the site, the original voucher will be supported by (a) the related Designation of Beneficiary, Standard Form No. 1152, if any, and the executed Standard Form No. 1153 or (b) the executed Standard Form No. 1155, and (c) the vouchers covering reimbursement of traveling expenses, pay roll change slips, schedules of voucher deductions,

-5-

schedules of canceled checks, or other documents showing the detailed computation of the amounts due. The authorized certifying officer will certify to the correctness of the payments to be made thereon, and the voucher will be otherwise completed as to appropriations and/or funds chargeable, accounting classification data, etc. Items of compensation known to be due may be vouchered without regard to other items considered doubtful or requiring additional information, but in such cases, the supplemental vouchers should contain a citation to the voucher covering the prior payment. However, unless retained for site audit, the claim and designation of beneficiary should be attached to the original of the first voucher submitted.

#### PAYING BENEFICIARY OR SURVIVING SPOUSE

5. Those vouchers covering payments of compensation to be made to designated beneficiaries, and payments to be made to a surviving spouse in case no designation of beneficiary has been filed--except in those cases involving doubtful questions of fact or law or where the payee is a minor or incompetent--will be scheduled to the appropriate disbursing officer for payment in the same manner as are other disbursement vouchers.

#### PAYING TO OTHERS

6. Vouchers covering payments of the compensation of deceased employees to be made to persons other than those shown in paragraph 5 above--except in those cases which are for settlement by the District of Columbia, or which will be settled by the corporations--will be forwarded by the employing agency to the General Accounting Office, Washington 25, D. C., for settlement.

#### PRESCRIBING FORMS

7. The following forms are hereby prescribed and made a part of this regulation:

Standard Form No. 1152 - Designation of Beneficiary, Unpaid Compensation of Deceased Civilian Employee

Standard Form No. 1153 - Claim of Designated Beneficiary and/or Surviving Spouse for Unpaid Compensation of Deceased Civilian Employee

Standard Form No. 1154 - (Public Voucher for Unpaid Compensation Due a Deceased Civilian Employee)

Standard Form No. 1154a- Public Voucher for Unpaid Compensation Due a Deceased Civilian Employee (memorandum)

Standard Form No. 1155 - Claim for Unpaid Compensation of Deceased Civilian Employee (No Designated Beneficiary or Surviving Spouse)

-6-

Accordingly, upon receipt of this regulation each department, establishment, or agency, subject to the provisions of the Act of August 3, 1950, quoted above, is requested to make requisition upon the Public Printer for an immediate supply of the said standard forms which is estimated to meet its needs. Facsimile copies of the forms prescribed in this regulation are attached.

EFFECTIVE DATE

8. Payments are due under the Act, and the standard forms herein prescribed together with the related procedures are for use, with respect to civilian employees of the agencies affected whose death occurs on or after December 1, 1950. Accordingly, claims relating to employees who die prior to that date should continue to be made on Standard Form No. 1055-Revised, Claim against the United States for Amounts Due in the Case of a Decedent, and be processed under procedures heretofore obtaining.

LINDSAY C. WARREN

Comptroller General  
of the United States

ADVISORY - WITHHOLDING TAX

The Acting Commissioner of Internal Revenue in A&C Mimeograph No. 5859 of April 28, 1945, held that income tax will not be withheld on supplemental pay rolls for unpaid salary earned up to and including the date of death of an employee but that where income tax was already withheld in cases of uncashed salary checks where the payees are deceased, such withholding will be allowed to stand without adjustment and the amount of the tax so withheld will be included in the decedent's Form W-2. Accordingly, and unless such ruling is changed by the Bureau of Internal Revenue, no withholding should be made for income tax from unpaid salary of a decedent for which no check has issued but only the net amount of salary checks due and issued will be scheduled for payment and no adjustment will be made in the tax withheld in connection with the issuance of such checks. Also, no withholding will be made from the lump-sum payment for leave. See 24 Comp. Gen. 522, 524 - answer to question 5, and the Commissioner's Mimeograph referred to above.